

OIL AND GAS LEASE RELEASE WITH CORRECTIVE LANGUAGE

This Oil and Gas Lease Release is made this 26th day of April, 2011, by and between James E. Caflisch of PO Box 100, Clymer, NY 14724 "Lessee" and Mark R. & Barbara A. Kurzen of 511 N Main Street, Apt. D, Columbia, IL 62236 "Lessor"

I, James E. Caflisch do hereby Release, Surrender, Terminate and Cancel any Right, Title or Interest I may possess in an Oil and Gas Lease that was originally given by Mark R. and Barbara A. Kurzen to Rural Energy Development Corporation and dated on February 5, 2002. Said Lease was recorded in the Chemung County Clerk's Office on February 19, 2002 under control number 2002 02190025, document number 2002 002290; said Lease being assigned to the to James E. Caflisch by Rural Energy Development Corporation by Lease Assignment dated August 14, 2002 and recorded in the Chemung County Clerk's Office on August 15, 2002 under control number 2002 08150028, document number 2002 000140. Said Lease related to 70 acres of land located in the Town of Erin, Chemung County and designated as Parcel 63.00-01-044.

This Release is filed herein to Correct an Oil and Gas Lease Release that was filed by Rural Energy Development Corporation in the Chemung County Clerk's Office on July 23, 2007, identified by control # 2007 07230116, document # 2006 004217. Said Release was ineffective due to the fact that the underlying Lease had been previously assigned to James E. Caflisch. With the filing of this Release, James E. Caflisch, Rural Energy Development Corporation and Chesapeake Appalachia L.L.C. will arrive in their desired and anticipated positions as shown in the attached letters that are incorporated herein and identified as Exhibit A..

By: _____

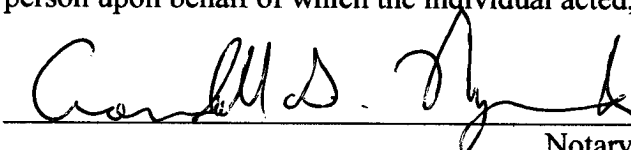

James E. Caflisch

STATE OF NEW YORK

SS:

COUNTY OF CHAUTAUQUA

On the 26th day of April in the year 2011 before me, the undersigned, a Notary Public in and for said state, personally appeared James E. Caflisch personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose names is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

CRANDALL G. NYWEIDE #5018729
NOTARY PUBLIC, STATE OF NEW YORK
COMMISSIONED IN CHAUTAUQUA COUNTY
MY COMMISSION EXPIRES OCT. 4, 2013



RURAL ENERGY DEVELOPMENT CORPORATION

The West Firm
677 Broadway, 8th Floor
Albany, NY 12207-2990

August 27, 2007

Via Certified Mail
7000 0520 0021 2999 8297

Attention: Thomas West

Rural Energy is in receipt of your letter dated August 22, 2007 in regard to the Chesapeake Appalachia L.L.C., Usack 1 Well, API 31-015-22933-00-00, Compulsory Integration Process.

Rural Energy was the lessee of a tract of land owned by Mark and Barbara Kurzen (Tax Parcel 63.00-1-44).

This lease was surrendered on May 8, 2007, (see attached Oil and Gas Release). Copies of the surrender were sent to your client Chesapeake Appalachia L.L.C. at that time.

You will need to contact Mark and Barbara Kurzen directly at;

17 Osage Trail
Spencerport, NY 14559

Regards,

Timothy L. Jackson
President

Cc: NYS Department Environmental Conservation
Bureau of Oil and Gas Regulation

4250 Center Street
Salamanca, NY 14779-9792

Timothy L. Jackson Sr.
President

Phone/Fax: 716-945-2541
Cell Phone: 716-499-9850
Email: research11@verizon.net

Exhibit "A"

THE WEST FIRM

A PROFESSIONAL LIMITED LIABILITY COMPANY

Attorneys And Counselors At Law

677 Broadway, 8th Floor
Albany, New York 12207-2990
Telephone (518) 641-0500
Facsimile (518) 615-1500

Thomas S. West

John T. McManus, *Counsel*
Yvonne E. Marciano, *Counsel*

Cindy M. Monaco
Elizabeth Dailey McManus
Vicki G. Schlierer, *Paralegal*

Direct Dial: (518) 641-0501
Direct Facsimile: (518) 615-1501
E-Mail: twest@westfirmllaw.com

September 13, 2007

Via Certified Mail, Return Receipt

Mr. James Caflisch
P. O. Box 100
Clymer, NY 14724

Via Federal Express

Timothy Jackson, President
Rural Energy Development Corp.
4250 Center Street
Salamanca, NY 14779-9792

**Re: Chesapeake Appalachia L.L.C.
Usack 1 Well
API 31-015-22933-00-00**

Dear Mr. Caflisch and Mr. Jackson:

This firm represents Chesapeake Appalachia, LLC in the matter of the integration of the spacing unit for the above-referenced well. The oil and gas rights to a parcel within that spacing unit (Tax Map 63.00-1-44 in the Town of Erin, Chemung County, was leased by Rural Energy Development Corporation ("Rural") on February 5, 2002 (Chemung County Instrument #200202190025). Our records reflect that on August 15, 2002 the lease was assigned to James Caflisch pursuant to an unrecorded operating agreement between Rural and Mr. Caflisch and that on May 8, 2007, Rural executed an Oil and Gas Lease Release of the February 5, 2002 lease.

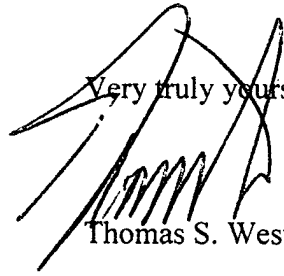
On August 22, we sent notice to Rural Energy of the compulsory integration of the spacing unit for the Usack well. By letter dated August 27, 2007, Rural responded to the notice stating that the lease had been released and directing us to contact the property owners, Mark and Barbara Kurzen (copy attached). This letter is to confirm that Rural and James Caflisch have no interest in or rights to any past, current or future oil or natural gas production from this spacing unit and no liability for any costs incurred in the production thereof.

September 13, 2007

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If you have any questions, please feel free to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'T. West', is written over the closing 'Very truly yours,'.

Thomas S. West

cc: Chesapeake Appalachia, LLC
Mark and Barbara Kurzen